

Federal Columbia River Power System
Statement of Revenues and Expenses
Quarterly Review @ June 30, 2004
Preliminary Unaudited

% of Year Lapsed = 75%

	A	B	C	D	E	F
	Actuals: FY 2003	FY 2004 Target (SOY)	FY 2004 Current End of Year Forecast	Current Forecast as a % of Target	Actuals: FYTD 2004	Actuals as a % of Target
Operating Revenues						
1 Sales <Note 1	3,328,277	3,295,137	3,227,786	98%	2,177,715	66%
2 Miscellaneous Revenues	49,077	48,620	56,023	115%	41,133	85%
3 Derivatives - Mark to Market Gain (Loss) <Note 2	55,265		113,809		113,809	
4 U.S. Treasury Credits	179,484	81,675	84,977	104%	62,716	77%
5 Total Operating Revenues	3,612,104	3,425,433	3,482,595	102%	2,395,374	70%
Operating Expenses						
Power System Generation Resources						
Operating Generation Resources						
6 Columbia Generating Station	205,153	221,665	221,800	100%	157,951	71%
7 Bureau of Reclamation	54,041	61,300	58,219	95%	43,278	71%
8 Corps of Engineers	129,383	140,500	138,551	99%	96,889	69%
9 Long-term Generating Projects	26,105	29,537	27,832	94%	17,905	61%
10 Operating Generation Settlement Payment	16,709	17,000	16,838	99%	11,439	67%
11 Non-Operating Generation	9,136	12,238	1,458	12%	2,033	17%
12 Contracted Power Purchases and Augmentation Power Purchases <Note 1	1,007,997	693,886	743,155	107%	392,683	57%
13 Residential Exchange/IOU Settlement Benefits	143,967	143,802	125,915	88%	94,468	66%
14 Renewable and Conservation Generation, including C&RD	83,059	91,145	87,725	96%	61,133	67%
15 Subtotal Power System Generation Resources	1,675,550	1,411,073	1,421,493	101%	877,779	62%
16 PBL Transmission Acquisition and Ancillary Services	47,648	48,500	48,000	99%	28,506	59%
17 PBL Non-Generation Operations	62,649	63,608	60,477	95%	42,589	67%
18 TBL Transmission Acquisition and Ancillary Services	5,617	7,108	6,610	93%	3,883	55%
19 Transmission Operations	76,519	85,682	84,817	99%	62,058	72%
20 Transmission Engineering	13,424	17,026	18,253	107%	10,973	64%
21 Transmission Maintenance	78,257	83,246	77,770	93%	56,645	68%
22 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	169,918	165,395	174,499	106%	120,805	73%
23 General and Administrative/Shared Services						
24 CSRS	35,100	30,950	30,950	100%	23,175	75%
25 Corporate Support - G&A and Shared Services/TBL Supply Chain	83,987	89,232	88,656	99%	62,817	70%
26 Other Income, Expenses & Adjustments	(7,140)	(7,000)	43	-1%	(42)	1%
27 Non-Federal Debt Service	119,534	334,265	246,736	74%	162,807	49%
28 Depreciation & Amortization	350,025	358,279	365,694	102%	269,764	75%
29 Total Operating Expenses	2,711,089	2,687,364	2,623,999	98%	1,721,758	64%
30 Net Operating Revenues (Expenses)	901,015	738,069	858,597	116%	673,616	91%
Interest Expense						
31 Interest	378,989	378,972	318,598	84%	240,572	63%
32 AFUDC	(33,398)	(30,458)	(33,185)	109%	(23,326)	77%
33 Net Interest Expense	345,591	348,514	285,413	82%	217,246	62%
34 Net Revenues (Expenses) from Continuing Operations	555,424	389,555	573,183	147%	456,370	117%
35 Net Revenues (Expenses) <Note 3	\$555,424	\$389,555	\$573,183	147%	\$456,370	117%

<1 FYTD Actuals for Power Sales & contracted Power Purchases decreased by a net \$149 million, due to the change in accounting for power "bookout" transactions after adoption of new accounting guidance, EITF 03-11, effective as of Oct 1, 2003. The change accounting for power "bookout" transactions was not applied to the SOY Target or the third quarter review forecast of FY 2004 results of operations.

<2 This is an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by SFAS 133, as amended, for identified derivative instruments. The MTM adjustment is excluded in calculating Modified Net Revenues for rate setting purposes

<3 The Third Quarter Review shows the estimated effects of reduced summer spill, consistent with the 2004 Federal Columbia River System Juvenile ByPass Operations Statement of Decision signed by the Administrator on July 6, 2004. Previous estimates of the effects of reduced summer spill on agency net revenues have been an improvement in the range of \$20 to \$40 million. Spill reductions have since been enjoined by a federal court making realization of these revenue projections unlikely.